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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

## PAID UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT IS I	nade this3O <sup>†/_</sup> da	y of June	, 2008, by and between	
Red Henry Stuffe	and and wite An	ie Mae Stollo	nol	
nereinadove named as Lessee, but al	L.L.C., 2100 Ross Avenue, Suit other provisions (including the co	moletion of blank spaces) v	as Lessor, 01, as Lessee. All printed portions of this lease were prepared by the party were prepared jointly by Lessor and Lessee.	
In consideration of a cash described land, hereinafter called leas	bonus in hand paid and the cover ed premises:	enants herein contained, t	essor hereby grants, leases and lets exclusively to Lessee the following	
OUT OF THE WS. ACK	D, MORE OR LESS, BEIN	S LOT(S) /O	, BLOCK <u>子</u> ADDITION, AN ADDITION TO THE CITY OF AS, ACCORDING TO THAT CERTAIN PLAT RECORDED	
IN VOLUMĖ 388-V	, PAGE	OF THE F	PLAT RECORDS OF TARRANT COUNTY, TEXAS.	
in the County of Tarrant, State of TEXAS, containing gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.				
as long thereafter as oil or gas or other otherwise maintained in effect pursual	nt to the provisions hereof.	produced in paying quantit	ies from the leased premises or from lands pooled therewith or this lease is	
3. Royalties on oil, gas and oft separated at Lessee's separator facil Lessor at the wellhead or to Lessor's the wellhead market price then prevailing price) for production of separator facility. The production, severance, or other exciss Lessee shall have the continuing right no such price then prevailing in the set he same or nearest preceding date a more wells on the leased premises or are waiting on hydraulic fracture stimulated by the second of the depository designated by the second of the depository designated by Lessee from another following cessation of such operation	ner substances produced and savities, the royalty shall be to credit at the oil purchaser's trans tilling in the same field (or if there imiliar grade and gravity; (b) for %) of the procee e taxes and the costs incurred by to purchase such production at tame field, then in the nearest field is the date on which Lessee comilands pooled therewith are capallation, but such well or wells are quantities for the purpose of made, then Lessee shall pay shut-ingnated below, on or before the errorduction there from is not being the leasent present the states.	portation facilities, provided is no such price then pre gas (including casing he ds realized by Lessee from Lessee in delivering, procedule prevailing wellhead mark in which there is such a prences its purchases here to effect of either producing oil of either shut-in or production intaining this lease. If for a royalty of one dollar per ad of said 90-day period an sold by Lessee; provided there	by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons (25 %) of such production, to be delivered at Lessee's option to that Lessee shall have the continuing right to purchase such production at vailing in the same field, then in the nearest field in which there is such a aid gas) and all other substances covered hereby, the royalty shall be that the sale thereof, less a proportionate part of ad valorem taxes and essing or otherwise marketing such gas or other substances, provided that ket price paid for production of similar quality in the same field (or if there is revealing price) pursuant to comparable purchase contracts entered into on under, and (c) if at the end of the primary term or any time thereafter one or rigas or other substances covered hereby in paying quantities or such wells there from is not being sold by Lessee, such well or wells shall nevertheless a period of 90 consecutive days such well or wells are shut-in or production acre then covered by this lease, such payment to be made to Lessor or to dithereafter on or before each anniversary of the end of said 90-day period nat if this lease is otherwise being maintained by operations, or if production with, no shut-in royalty shall be due until the end of the 90-day period next raity shall render Lessee liable for the amount due, but shall not operate to	
be Lessor's depository agent for recedraft and such payments or tenders in address known to Lessee shall constitution and the such payment hereunder, Lessor shall, at 15. Except as provided for in Paymentses or lands pooled therewith, pursuant to the provisions of Paragrevertheless remain in force if Lesse on the leased premises or lands pool the end of the primary term, or at a operations reasonably calculated to on cessation of more than 90 consethere is production in paying quantitic Lessee shall drill such additional well to (a) develop the leased premises it leased premises from uncompensate additional wells except as expressly 6. Lessee shall have the right depths or zones, and as to any or a proper to do so in order to prudently unit formed by such pooling for an onorizontal completion shall not exceed completion to conform to any well spot the foregoing, the terms "oil well" prescribed, "oil well" means a well we feet or more per barrel, based on equipment; and the term "horizontal component thereof. In exercising its Production, drilling or reworking operations on the leased net acreage covered by this lease at Lessee. Pooling in one or more institutif formed hereunder by expansion prescribed or permitted by the gove making such a revision, Lessee shall leased premises is included in or ex	iving payments regardless of chain of Lessor or to the depository by titute proper payment. If the depository by the sesser's request, deliver to Lesse tragraph 3, above, if Lessee driffs or if all production (whether or traph 6 or the action of any gove e commences operations for rewell the the production of any governmences operations for rewell the the desired of the existing of the economic	iges in the ownership of sa leposit in the US Mails in a sitory should liquidate or bit a proper recordable instruction as well which is incapable of the proper recordable instruction in paying quantities) performental authority, then it orking an existing well or for completion of operations or of otherwise being maintait orm, this lease shall remainations result in the product independent in the production of the proportion of the proport	responsible credit in at lessor's address above or its successors, which shall id land. All payments or tenders may be made in currency, or by check or by a stamped envelope addressed to the depository or to the Lessor at the last a succeeded by another institution, or for any reason fail or refuse to accept ament naming another institution as depository agent to receive payments. If producing in paying quantities (hereinafter called "dry hole") on the leased armanently ceases from any cause, including a revision of unit boundaries in the event this lease is not otherwise being maintained in force it shall or drilling an additional well or for otherwise obtaining or restoring production in such dry hole or within 90 days after such cessation of all production. If at the force but Lessee is then engaged in drilling, reworking or any other substances covered hereby, as long thereafter as a completion of a well capable of producing in paying quantities hereunder, sonably prudent operator would drill under the same or similar circumstances are completion of a well capable of producing in paying quantities hereunder, sonably prudent operator would drill under the same or similar circumstances on the leased premises or lands pooled therewith, or (b) to protect the cooled therewith. There shall be no covenant to drill exploratory wells or any termises or interest therein with any other lands or interests, as to any or all he commencement of production, whenever Lessee deems it necessary or lar pooling authority exists with respect to such other lands or interests. The solutions are a maximum acreage tolerance of 10%, and for a gas well or a wided that a larger unit may be formed for an oil well or gas well or horizontal by any governmental authority having jurisdiction to do so. For the purpose carble law or the appropriate governmental authority, or, if no definition is so arrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic genoditions using standard lease separator facilities or equivale	

- 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral est such part of the leased premises
- The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter
- arising with respect to the transferred interest, and failure of the transferre to satisfy such obligations with respect to the transferred interest, and failure of the transferre to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

  9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereupoder. in accordance with the net acreage interest retained hereunder.
- In accordance with the net acreage interest retained hereunder.

  10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or such other lands during the leased premises or such other lands during the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

  11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and pro

having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by Inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such per

there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes,

mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Natwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other proportions.

operations.

ase may be executed in counterparts, each of which is deemed an original and all of which only constitute one original DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to after the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

June Stathard

LESSOR (WHETHER ONE OR MORE)

By: Rev. Kenny Stations Stations	By: Annie Mex Hattand
OTATE OF Trans	ACKNOWLEDGMENT
STATE OF	
KENNETH L. HURST SR My Commission Expires October 24, 2010	Notary Public, State of Z. Notary's name (printed): Notary's commission expires:
STATE OF	) th day of, 2008,
KENNETH L. HURST SR My Commission Expires October 24, 2010	Notary Public, State of



## DALE RESOURCES 3000 ALTA MESA BLVD STE 300

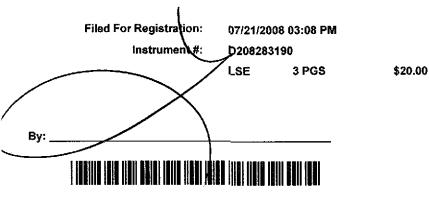
FT WORTH

TX 76133

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



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